**Exemption from countervailing duty**

917. SHRI SHIV PRATAP MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have withdrawn exemption from countervailing duty on certain items; if so the details of such items; and

(b) the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Exemption from countervailing duty of customs on certain goods have been withdrawn by Notification Nos. 129/93—Customs and 130/93—Customs, both dated 11th June, 1993; and Nos. 151/93—Customs and 152/93—Customs, both dated 21st July, 1993. The details of these goods are listed in the statement annexed. (*See* below) This has been done on the basis of the recommendation of the Tax Reforms Committee headed by Prof. Raja J. Chelliah.

**Statement**

*Brief description of goods on which exemption from countervailing duty of customs has been withdrawn*

(1) Acrylic yarn;

(2) VCM for PVC;

(3) Ethylene dichloride;

(4) CNC System for use in machine tools;

(5) Components for manufacture of fuel injection equipments;

(6) Components of fuel injection equipments for warranty coverage;

(7) Sub-components of fuel injection equipments for manufacture of fuel injection components;

(8) Polyster fibre for specified use;

(9) Specified goods for manufacture of leather chemicals;

(10) Parts of CNC system for initial setting|assembly|manufacture of CNC system;

(11) Parts for manufacture of specified equipments;

(12) Specified goods for manufacture of button cells;

(13) Components for manufacture of specified textile testing equipments;

(14) Specified components for manufacture of arc tube for high pressure sodium vapour lamps;

(15) Books in the nature of antiques;

(16) Blades|knives for leather shaving machines;

(17) Specified parts for the manufacture of motor vehicles;

(18) Raw cultured pearls;

(19) Specified raw materials for use in leather industry;

(20) Specified waste paper/paper board for manufacture of pulp for use in paper or paper board making;

(21) Specified goods for use in leather industry;

(22) Components for manufacture of specified medical equipments;

(23) Filter paper for manufacture of tea bags;

(24) Specified goods for use in specified industry;

(25) Specified medical equipments/parts (other than those attracting nil rate of duty).

(26) Components for manufacture of specified medical equipments;

(27) Specified goods for manufacture of drugs and hormones;

(28) Parts for manufacture of specified instruments;

(29) Specified goods for manufacture of high pressure sodium vapor lamp;

(30) Specified goods for use in leather industry;

(31) Cotton yarn, terry towel fabric and towels;

(32) Specified goods for use in ready-made garment or hosiery industry;

(33) Pulp other than rayon grade wood pulp;

(34) Rayon grade wood pulp;

(35) Oleopine resin;

(36) Oil extracted from oil seeds;

(37) Narrow elastic tapes;

(38) Sugar;

(39) Goods falling under chapter 25 of the Customs Tariff;

(40) Goods falling under chapter 13 of the Customs Tariff;

(41) Goods falling under chapter 26 of the Customs Tariff;

(42) Homoeopathic medicines.

**Anti-Smuggling Campaign**

918. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether any anti-smuggling campaign has been launched recently at Indira Gandhi International Airport; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Constant vigil is being exercised in maintaining the tempo of anti-smuggling activities at different international airports including Indira Gandhi International Airport, New Delhi. The measures taken to curb smuggling of contraband include greater surveillance over sensitive areas at the airport, intensified intelligence and investigating activities, screening of baggage of passenger's coming from sensitive flights.

Sophisticated equipments such as x-ray baggage machine and metal detectors are being increasingly utilised. Close coordination is being maintained among all the agencies concerned in the detection and prevention of smuggling.

**Income tax exemption to small scale units**

919. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to give income-tax exemption for setting up small scale units in rural and backward areas of the country;

(b) if so, what are the details thereof;

(c) whether it is also a fact that Government also propose to give excise and customs reliefs on various items manufactured by small scale sector;

(d) if so, what are the details thereof; and

(e) by when the exemptions are likely to be announced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) There is no new proposal to give income-tax exemption for setting up of small scale units in rural and backward areas. However, the Finance Act, 1993 has already introduced a five-year tax holiday for new industrial undertakings set up in backward States. This incentive under section 80-IA is available both to small scale units and large scale units set up in these States. Although in the case of large scale units the concession is available only if they manufacture an item which is not a non-priority item (listed in the Eleventh Schedule to the Income-tax Act) small scale units can avail of the concession even if they manufacture a non-priority item.

(c) There is no fresh proposal at present to give any excise or customs duty reliefs for various items manufactured by the small scale sector.

(d) and (e) Does not arise in view of reply at (c) above.